**NON-CONFIDENTIAL**

# ANTI-DUMPING DUTY INVESTIGATION CONCERNING IMPORTS OF FLAT ROLLED PRODUCT OF IRON ALLOY OR NON-ALLOY STEEL, PLATED OR COATED WITH ZINC, USING HOT DIP PROCESS (GALVANISED STEEL COILS/SHEETS OR GALVANISED IRON COILS/SHEETS) ORIGINATING OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, THE REPUBLIC OF KOREA AND THE SOCIALIST REPUBLIC OF VIET NAM

**("SUBJECT MERCHANDISE")**

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THE PETITIONER'S COMMENTS ON THE NOTICE OF ESSENTIAL FACTS

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PREPARED BY:

**CSC STEEL SDN. BHD.**
180, Kawasan Perindustrian Ayer Keroh,
Ayer Keroh,
75450 Melaka,
Malaysia.

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## A. Introduction

1. These are our comments to the Notice of Essential Facts ("**NOEF**") issued by the Investigating Authority ("**IA**") on 3.10.2025.

2. The domestic industry appreciates the efforts undertaken by IA in conducting this investigation and recognizes the complexity of reconciling extensive exporter data. Nevertheless, several key issues in the NOEF warrant reconsideration to ensure that the final determination properly addresses the material injury faced by the domestic industry and achieves the intended remedial objective.

3. These responses are not to be read in isolation, and as such, must be read together with the Petition (both confidential and non-confidential) and any other evidence which was provided to the IA in which was relied upon.

## B. Our Position

4. At the outset, we fully concur with the IA's preliminary finding and the NOEF that there was sufficient data to establish that dumping had, in fact, occurred from the People's Republic of China, and the Republic of Korea and the Socialist Republic of Viet Nam (collectively, "**the Alleged Countries**").

5. We acknowledge that the evidence presented, including pricing analysis, import volume trends, and the margin of dumping, clearly support the conclusion that exporters from the Alleged Countries have engaged in dumping practices that have adversely affected the domestic industry ("**DI**").

6. In this regard, we emphasize that the domestic industry's concern is not merely the existence of dumping, but the extent to which the current measures will meaningfully address the injury already suffered. The aim of this investigation should not only be to confirm the presence of dumping, but to ensure that the final duties imposed are effective in restoring fair market conditions, enabling the domestic industry to recover lost market share, improve utilisation rates, and achieve sustainable profitability after years of suppressed prices caused by dumped imports.

## C. Scope of the Subject Merchandise

7. At paragraph 46 of the NOEF, like product is defined as "*flat rolled product of iron alloy or non-alloy steel, plated or coated with zinc, using hot dip process. It is also commonly known as galvanised steel coils/sheets or galvanised iron coils/sheets (GI)*".

8. However, at paragraph 52 of the NOEF, it was stated that "*For the purpose of this investigation, the IA determined that other than the product description mentioned…, including galvanneal steel and galvanised steel coils/sheets plated or coated with zinc, aluminium, and/or magnesium, e.g., ZINMAG, ZAM, Galfan, PoSMAC/POSMAC and Galvalume, does not fall within the scope of subject merchandise*."

9. This exclusion creates a significant loophole inconsistent with market reality. As detailed in our Petition, these coatings share the same production line, steel substrate and HS codes as GI, differing only in minor alloy variations or post-treatments. They are technically and commercially interchangeable, and their exclusion would enable exporters to evade duties through marginal coating changes.

10. From a technical and manufacturing perspective, all these products originate from the same hot-dipped galvanising line. The only distinction lies in the composition of the coating (e.g., zinc-aluminium or zinc-magnesium in place of pure zinc). The base material, production process, physical form, and functional characteristics remain identical. Consequently, the minor variation in coating composition does not change the core nature of the product or its commercial substitutability.

11. From a commercial standpoint, downstream users such as roofing manufacturers, construction firms, and appliance producers substitute between these grades primarily on price, corrosion resistance, or coating finish, not on fundamental mechanical or physical differences. Therefore, the like product should encompass hot-dip zinc, zinc-iron, zinc-aluminium, and zinc-magnesium coated steels.

12. Accordingly, it is our position that the like product should be defined broadly to include all hot-dip coated flat-rolled steel products containing zinc, aluminium and/or magnesium, regardless of minor coating composition differences. Limiting the scope to zinc-only coatings will not reflect the commercial reality of the Malaysian market and will encourage circumvention by exporters seeking to exploit this definitional gap.

13. We note the IA's explanation during the meeting conducted on 8.10.2025 that the product scope was defined at the initiation stage based on the HS codes and technical descriptions provided in the original petition. The IA also indicated that there were insufficient data and factual information regarding the excluded "like products" (i.e., Galvanneal, ZINMAG, PosMAC, ZAM, Galfan and Galvalume) for the IA to conduct a proper examination, and that some of these products may serve different market segments.

14. While we appreciate this clarification, we maintain that these alloy-coated variants do compete directly in the same downstream markets and share identical production lines and therefore urge the IA to reconsider this exclusion or, at minimum, to monitor import trends of these excluded products to prevent circumvention.

15. We also note the IA's clarification during the meeting conducted on 8.10.2025 that the issue of GI for automotive end-usage has not yet been finalized due to incomplete documentation from automotive producers. We trust that the IA will retain GI for automotive end-usage within the scope of the final determination. Premature exclusion would distort the injury assessment and would be detrimental to the domestic industry, which is capable of supplying the Malaysian market with GI for automotive end-usage.

16. Further, in response to IA's observations during the meeting conducted on 8.10.2025 regarding the domestic industry's ability to produce GI exceeding 2.50 mm, we confirm that we are able to accept orders specified up to 2.55 mm thickness, in accordance with JIS standards.

17. We trust that this will clarify that the domestic industry is technically capable of meeting local demand within this thickness range.

## D. Price Adjustments and Allowances

18. We note that throughout the NOEF, the IA has allowed various adjustments (allowances) to the export price and normal value claimed by the foreign exporters from the Alleged Countries. Different exporters appear to have claimed different categories of allowances, and some adjustments were accepted while others were rejected. This includes:

**Table 1: Allowance Claimed by Foreign Exporters**

| Foreign Exporter | Category | Treatment of Allowance Requested | Paragraph (in NOEF) |
|---|---|---|---|
| Baoshan Iron & Steel Co., Ltd. and Baosteel Zhanjiang Iron & Steel Co., Ltd. | Normal Value | Allowed | 175 |
| | Export Price | Allowed | 180 |
| Beijing Shougang Cold Rolling Co., Ltd. and Shougang Jingtang United Iron & | Normal Value | Allowed | 198 |
| | Export Price | Allowed | 204 |

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|---|---|---|---|
| Steel Co., Ltd. | | | |
| Fujian Kaijing Greentech Material Co. | Normal Value | Allowed | 217 |
| | Export Price | Allowed | 220 |
| Shougang Jingtang United Iron & Steel Co., Ltd. | Export Price | Allowed | 235 |
| KG Dongbu Steel Co., Ltd. | Normal Value | Allowed | 269 |
| | Export Price | Allowed | 272 |
| POSCO Co., Ltd. | Normal Value | Allowed | 284 |
| | Export Price | Allowed | 289 |
| China Steel and Nippon Steel Vietnam Joint Stock Company | Export Price | Allowed | 307 |
| Hoa Phat Steel Sheet Co., Ltd | Normal Value | Allowed | 317 |
| | Export Price | Allowed | 322 |
| Hoa Sen Group | Normal Value | Allowed | 332 |
| | Export Price | Allowed | 336 |
| Nam Kim Steel Joint Stock Company | Normal Value | Allowed | 348 |
| | Export Price | Allowed | 352 |
| Southern Steel Sheet Co., Ltd. | Export Price | Allowed | 368 |
| Tan Phuoc Khanh Trading and Manufacturing Coil Steel Joint Stock Company | Normal Value | Rejected | 380 |
| | Export Price | Allowed | 385 |
| Ton Dong A Corporation | Normal Value | Rejected | 405 |
| | Export Price | Allowed | 410 |

19. Given the significant effect these adjustments have on dumping margins, we respectfully request that the IA publish a non-confidential summary (which allows for reasonable understanding) of the categories of allowances accepted and rejected.

20. This will promote transparency and equal treatment among exporters, ensuring confidence that adjustments have been uniformly applied across all foreign exporters.

21. We understand from the IA's clarification during the meeting conducted on 8.10.2025 that the acceptance of allowances was based on verified documentation during company visits. We nevertheless request that a consolidated non-confidential summary of all accepted and rejected allowances be published to ensure transparency and consistency.

## E. Apparent Differences Between the Preliminary and NOEF Determinations

22. We note that the preliminary determination established positive dumping margins for all cooperating exporters. By contrast, the NOEF indicates negative or near-zero margins for several major Chinese and Vietnamese producers (e.g., Baoshan Iron & Steel Co., Beijing Shougang Cold Rolling Co., Fujian Kaijing Greentech Material Co. and Hoa Phat Steel Sheet Co.). Such negative margins effectively remove duties on these exporters, even though injury indicators remain significant.

23. We would appreciate the IA clarifying how the same data set could result in such different outcomes between the preliminary and final stages, and what changes were made to the methodology or calculations.

24. We note the IA's explanation during the meeting conducted on 8.10.2025 that final margins were recalculated using verified figures obtained during on-site verifications and that, in some cases, certain producers' submissions included non-subject merchandise, which affected the recalculated margins.

25. While we appreciate this clarification, we respectfully ask that the IA disclose (in non-confidential summary form) how the verified figures were treated in the dumping margin recalculations.

26. For ease of comparison, the tables below set out the dumping margins and corresponding anti-dumping duty rates under the Preliminary Determination issued on 4 July 2025, and the Final Determination as reflected in the NOEF dated 3 October 2025.

**Table 2: Anti-Dumping Duties under the Preliminary Determination**[1]

| Country | Exporter / Producer | AD Duties (%) |
|---|---|---|
| People's Republic of China | Baoshan Iron & Steel Co., Ltd. | 8.73% |
| | Baosteel Zhanjiang Iron & Steel Co., Ltd. | 3.86% |
| | Beijing Shougang Cold Rolling Co., Ltd. | 4.85% |
| | Fujian Kaijing Greentech Material Co., Ltd. | 7.94% |
| | Shougang Jingtang United Iron & Steel Co., Ltd. | 14.85% |
| | Others | 26.80% |
| | Hyundai Steel Company | 8.97% |

[1] P.U.(B) 260/2025

| | | |
|---|---|---|
| The Republic of Korea | KG Dongbu Steel Co., Ltd. | 16.06% |
| | POSCO Co., Ltd. | 11.66% |
| | Others | 31.47% |
| The Socialist Republic of Viet Nam | China Steel and Nippon Steel Vietnam Joint Stock Company | 18.86% |
| | Hoa Phat Steel Sheet Limited Liability Company | 16.81% |
| | Hoa Sen Group | 11.41% |
| | Nam Kim Steel Joint Stock Company | 15.32% |
| | Southern Steel Sheet Co., Ltd. | 16.51% |
| | Tan Phuoc Khanh Trading and Manufacturing Coil Steel Joint Stock Company | 57.90% |
| | Tay Nam Steel Manufacturing & Trading Co., Ltd. | 35.81% |
| | Ton Dong A Corporation | 24.39% |
| | TVP Steel Joint Stock Company | 20.28% |
| | Others | 57.90% |

**Table 3: Dumping Margins / Duties Reflected in the NOEF (Final Determination)**[2]

| Country | Exporter / Producer | AD Duties (%) |
|---|---|---|
| People's Republic of China | Baoshan Iron & Steel Co., Ltd. | -5.60% |
| | Baosteel Zhanjiang Iron & Steel Co., Ltd. | 26.80% |
| | Beijing Shougang Cold Rolling Co., Ltd. | -5.36% |
| | Fujian Kaijing Greentech Material Co., Ltd. | -0.02% |
| | Shougang Jingtang United Iron & Steel Co., Ltd. | 7.72% |
| | Others | 57.90% |
| The Republic of Korea | Hyundai Steel Company | 5.61% |
| | KG Dongbu Steel Co., Ltd. | 13.82% |
| | POSCO Co., Ltd. | 2.21% |
| | Others | 57.90% |
| The Socialist Republic of Viet Nam | China Steel and Nippon Steel Vietnam Joint Stock Company | 4.76% |
| | Hoa Phat Steel Sheet Limited Liability Company | -14.47% |
| | Hoa Sen Group | -3.52% |

[2] Paragraph 460, NOEF

| | | |
|---|---|---|
| | Nam Kim Steel Joint Stock Company | -3.37% |
| | Southern Steel Sheet Co., Ltd. | 9.91% |
| | Tan Phuoc Khanh Trading and Manufacturing Coil Steel Joint Stock Company | 48.05% |
| | Tay Nam Steel Manufacturing & Trading Co., Ltd. | 57.90% |
| | Ton Dong A Corporation | 0.05% |
| | TVP Steel Joint Stock Company | 57.90% |
| | Others | 57.90% |

27. The NOEF still recognizes material injury in terms of import volume, market share, price undercutting, price suppression, profitability, cash flow and return on assets. In view of these findings, the appearance of negative margins raises doubts as to whether the dumping calculations reflect the actual market situation.

28. We respectfully seek clarification on how the assignment of negative duties to certain exporters aligns with the objective of eliminating injury to the domestic industry. The remedial purpose of an anti-dumping duty is to neutralize the injurious effects of dumped imports and to restore fair competition. Where definitive duties are set at negative or negligible levels for dominant exporters, the intended correction of price distortion is effectively nullified.

29. In practice, these producers; by virtue of their scale and pricing influence, will continue to set market benchmarks well below sustainable levels for domestic manufacturers. This outcome risks perpetuating the very injury that the investigation has already established.

30. In this regard, we urge the IA to consider whether such negative margins truly reflect commercial reality, or whether they result from data anomalies, unverified adjustments, or methodological choices that disproportionately benefit a few exporters.

31. If left unaddressed, the domestic industry will remain exposed to persistent price suppression and market share erosion throughout the entire five-year period of the measure. The Government's objective of eliminating material injury can only be achieved if all significant sources of dumped imports are subject to duties that effectively offset the dumping margin and restore fair competition.

## F. <u>Impact of Negative Duties for Major Foreign Exporters</u>

32. Further, we are especially concerned that several of the largest Chinese producers, including Baoshan Iron & Steel Co., Ltd. (-5.60%), Beijing Shougang

Cold Rolling Co., Ltd. (-5.36%) Fujian Kaijing Greentech Material Co., Ltd. (-0.02%) and Hoa Phat Steel Sheet Limited Liability Company (-14.47%), have been assigned negative or negligible dumping margins in the NOEF.

33. These entities are among China's largest and most competitive steel producers, with massive integrated production capacities and established export networks that allow them to sustain low-priced exports over extended periods.

34. The continuation of zero or negative duty rates for such dominant exporters effectively grants them duty-free access to the Malaysian market for the full five-year duration of the definitive measure. This outcome would remove the intended relief from the investigation, allowing these exporters to continue setting low price benchmarks that pressure local producers into loss-making positions.

35. We acknowledge the IA's clarification during the meeting conducted on 8.10.2025 that negative margins stem from recalculations based on verified data. Nevertheless, we respectfully maintain that the outcome does not reflect prevailing market conditions, given the continued injury findings across all key indicators.

36. Given the scale of these exporters, even small volumes of unfairly priced imports can dictate domestic price benchmarks, thereby locking the local industry into loss-making conditions for the foreseeable future.

37. The continuation of such minimal or negative duties does not reflect commercial reality, particularly in light of the persistent injury indicators, including depressed prices, underutilized capacity, and declining profitability, observed throughout the investigation period.

38. In short, the continuation of duty-free or negligible duty treatment for dominant Chinese producers will:

    (a) Allow them to maintain or expand market share at dumped prices;

    (b) Prolong injury to the domestic industry, nullifying the relief expected from the investigation; and

    (c) Entrench Malaysia in a position where domestic prices continue to be dictated by foreign exporters, preventing local producers from competing on fair and sustainable terms.

39. Therefore, we respectfully ask the IA to reconsider the negative and negligible margin determinations, reassess whether they reflect commercial reality, and

apply an appropriate adjustment to ensure that the measures achieve their intended remedial effect.

## G. Other Jurisdictions' Measures on GI From the Alleged Countries

40. Further, we wish to highlight that besides Malaysia, other jurisdictions have implemented or extended trade-remedy measures on galvanised and corrosion-resistant steel from China and Vietnam:

    (a) **Eurasian Economic Union (EAEU)**: The EEC extended anti-dumping duties on galvanised rolled products from China until 2030, with duty rates between 12.69 % and 17 %.[3]

    (b) **Mexico**: In May 2025, Mexico's Ministry of Economy initiated an interim review of its anti-dumping measures on coated and plated steel sheets originating in Vietnam, following requests from domestic producers. The review covers imports between 1 November 2023 and 31 October 2024, while the existing duties, ranging from 6.4 % to 10.84 % for Vietnamese coated steel imports, remain in effect.[4]

    (c) **Canada**: The Canada Border Services Agency (CBSA) maintains anti-dumping duties on corrosion-resistant flat-rolled steel sheet products. For exporters without specific normal values, the margin of dumping rate is as high as **71.1 %** for Vietnam.[5]

    (d) **Japan**: Japan's Ministry of Economy, Trade and Industry (METI) initiated an anti-dumping investigation into hot-dip galvanised steel from China and South Korea in August 2025. This demonstrates growing global scrutiny of Chinese steel exports and underscores the need for comprehensive measures.[6]

41. These examples highlight that Malaysia is not alone in facing unfair competition in galvanised steel from the alleged countries.

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[3] EEC, 'Anti-dumping duty on galvanized rolled products from China and Ukraine extended for five years' (https://eec.eaeunion.org/en/news/antidempingovaya-poshlina-na-otsinkovannyy-prokat-iz-knr-i-s-ukrainy-prodlena-na-pyat-let/)

[4] Argus, 'Mexico to review AD duties on Vietnamese steel imports' (https://www.argusmedia.com/metals-platform/newsandanalysis/article/2693730-Mexico-to-review-AD-duties-on-Vietnamese-steel-imports?)

[5] Government of Canada, 'Corrosion-resistant steel sheet 2: Measures in force' (https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/cor2-eng.html)

[6] Reuters, 'Japan starts anti-dumping probe into hot-dip galvanized steel from China, S.Korea' (https://www.reuters.com/sustainability/boards-policy-regulation/japan-starts-anti-dumping-probe-into-hot-dip-galvanized-steel-china-skorea-2025-08-13/)

42. Further, In August 2025, the U.S. Department of Commerce (USDOC) issued its final determination in the anti-dumping and countervailing duty investigations on corrosion-resistant steel products (CORE) from multiple countries. The final fact sheet released by the USDOC lists dumping margins of **110.19 % for the Hoa Sen Group and associated entities in Vietnam**.[7]

43. It is pertinent to note that Ton Dong A Corporation (which has been assigned an AD duty of just 0.05%) received a margin of **87.07 %**, while several other Vietnamese producers were assigned margins of **94.89 %**, and the Vietnam-wide entity margin was **162.96 %**.

44. These significantly high margins reflect the USDOC's finding that Vietnamese producers were aggressively dumping corrosion-resistant steel into the U.S. market. We highlight these findings because they underscore the seriousness with which other jurisdictions treat the dumping of products that are similar to those under investigation in Malaysia. They also demonstrate that exporters like Hoa Sen Group (which has been assigned an AD duty of -3.52%) have been found to engage in significant dumping elsewhere.

45. In light of these global benchmarks, we respectfully ask the IA to ensure that the final determination in Malaysia does not inadvertently allow dumped products from Vietnam, China or Korea to bypass Malaysian duties through minor changes in coating composition or product description. Aligning our measures with those of other jurisdictions will send a clear message that Malaysia will not tolerate unfair trade practices.

## H. Conclusion

46. We remain committed to cooperating with the IA and providing any additional information required for the final determination. However, we respectfully submit that the scope exclusion, negative margins and lack of transparency on allowances in the NOEF are deeply concerning.

47. Unless these issues are addressed before the Final Determination, the resulting measures risk becoming ineffective in restoring fair competition and inadequate in preventing further injury to the Malaysian domestic industry.

[7] International Trade Administration, 'Final Determinations in the Antidumping Duty and Countervailing Duty Investigations of Corrosion-Resistant Steel Products from Multiple Trading Partners' (https://www.trade.gov/final-determinations-antidumping-and-countervailing-duty-investigations-corrosion-resistant-steel)

48. If definitive duties are imposed at levels that fail to reflect commercial reality, particularly where dominant exporters are accorded negative or negligible margins, the domestic industry will continue to face price depression, reduced profitability, and loss of market share throughout the five-year lifespan of the measure. Such an outcome would defeat the remedial intent of the investigation and risk permanently weakening Malaysia's steel manufacturing base.

49. We therefore urge the IA to:

    (a) Provide transparency in the treatment of all exporters with respect to allowances and adjustments applied in the dumping margin calculations.

    (b) Reconsider the exclusion of zinc-alloy coated and galvanneal products to prevent circumvention and preserve the effectiveness of the duties; and

    (c) Reassess the dumping determinations for exporters with negative and negligible margins to ensure that they align with the verified data, the sustained injury findings, and the actual market conditions discussed during our recent meeting with the IA on 8.10.2025.

50. The domestic industry fully supports the IA's continuing efforts to uphold Malaysia's rights under international trade law and to protect the integrity of the domestic steel market. We also appreciate the IA's clarifications provided and trust that the concerns raised by the domestic industry will be reflected in a balanced and effective final determination.

51. We thank the IA for its attention and consideration, and we remain at the IA's disposal for any further clarification or engagement deemed necessary.